



MADHYA PRADESH INDUSTRIAL PROMOTION POLICY 2025

Department of Industrial Policy and Investment Promotion
Government of Madhya Pradesh



Foreword



Government of
Madhya Pradesh



Madhya Pradesh, the heart of India, is embarking on transformative initiatives aimed at driving industrial growth, attracting global investments, and generating extensive employment opportunities. Recognizing that true economic development can only be achieved through inclusivity, the state is committed to fostering sustainable growth that benefits all segments of society. With a focus on holistic development, State is ensuring equitable growth across all regions, bridging disparities and empowering every community. State is prioritizing employment of women and actively encouraging their participation across various sectors. By strengthening women's role in the workforce, Madhya Pradesh is fortifying economic progress of the State and its people.

Madhya Pradesh is setting ambitious goals for economic self-sufficiency and industrial transformation, and the Madhya Pradesh Industrial Promotion Policy 2025 is a strategic step in this direction. The policy aims to position Madhya Pradesh as a hub for traditional, emerging and high-value add sectors. By leveraging its central location, investor-friendly governance, and sector-specific industrial parks, the state is fostering entrepreneurship, attracting foreign direct investment, and strengthening the Make in India initiative, ensuring sustainable industrial excellence.

Guided by the visionary leadership of Hon'ble Prime Minister Shri Narendra Modi, the State is playing a pivotal role in the realization of Viksit Bharat. The vision is clear: to position Madhya Pradesh as a global investment destination, ensuring prosperity for all. I extend invitation to all the investors, global corporations and entrepreneurs to be part of this remarkable growth story and contribute to the vision of a self-reliant and Viksit Madhya Pradesh

A handwritten signature in blue ink, appearing to read 'Mohan Yadav'.

Dr. Mohan Yadav
Chief Minister
Madhya Pradesh

Foreword



Government of
Madhya Pradesh



India, the fastest growing large economy in the world, has embarked upon a journey to become Atmanirbhar and Viksit Bharat. Madhya Pradesh, one of the fastest growing States, has become the preferred destination for investment. The State offers “infinite possibilities” powered by abundant resources, state of the art infrastructure, an integrated holistic approach and forward-thinking leadership. These coupled with central location, excellent industrial labour relations, all assimilating culture position Madhya Pradesh as a key driver of comprehensive economic growth.

The State has formulated 18 new policies after thorough collaborative consultation with the stakeholders. While these policies provide financial incentives at par with the best provided by any other State, yet the focus is to provide seamless investment climate, exemplary Ease of Doing Business and reduction of compliance burden. State has already put in place mechanisms to streamline approvals, with faceless interface and time-bound clearances. Madhya Pradesh initiated the concept of the Public Service Delivery Guarantee Act and is committed to ensure that all approvals are notified under this Act. Providing plug and play infrastructure for industries is another important corner stone of the policies.

The Madhya Pradesh Industrial Promotion Policy, 2025 focuses on attracting large-scale industries, fostering foreign direct investments (FDI) and encouraging Research and Development (R&D) driven enterprises, ensuring a competitive edge for businesses in the ever-evolving global manufacturing value chains. The Policy is curated with sector-specific incentives identifying new age and high potential sectors critical for driving state’s economic growth backed by streamlined regulatory process of land allotment and incentive disbursement. At its core, the policy focuses on strengthening of critical infrastructure and key social infrastructure, with active collaboration from the private sector. This collaborative approach aims to create a thriving work environment and reduce the time and cost of commencing production. Furthermore, the policy aims to widen regional footprint and green manufacturing practices aimed at inclusive, sustainable industrial development.

Hallmark of the Madhya Pradesh has been consistent, stable but yet nimble policy framework coupled with pro-active and transparent governance for sustained growth. Opportunity like never before beckons all prospective investors to come and create lasting partnership for their own prosperity and growth of Madhya Pradesh. We welcome you to come and join the growth story of Viksit Madhya Pradesh.

A handwritten signature in black ink, appearing to read 'Anurag Jain'.

Anurag Jain
Chief Secretary
Madhya Pradesh

Foreword



Government of
Madhya Pradesh



The Madhya Pradesh Industrial Promotion Policy 2025 was developed through extensive analysis, benchmarking against leading States and adopting good practices. It follows an investor-centric approach, aligning with industry needs. Initiated in 2024, the Department of Industrial Policy and Investment Promotion hosted Regional Industrial Conclaves across Madhya Pradesh and conducted investor interactions at national and international levels. Industrialists were consulted to identify key challenges, which the policy aims to address.

Madhya Pradesh's Industrial Promotion Policy 2025 identifies key sectors such as Renewable Energy, Electric Vehicles, Pharmaceuticals, Medical Devices, Textiles and High-Value-Added Manufacturing. It incentivizes capital investment and operational costs, with special support for labour-intensive industries, skill development and women's workforce participation. The policy also promotes industrial infrastructure, plug-and-play facilities and streamlined investor facilitation.

To attract foreign investment, an FDI multiple offers additional incentives. Public-Private Partnerships (PPPs) will drive industrial housing, logistics and sector-specific infrastructure, supported by Viability Gap Funding (VGF). The policy aims to boost the manufacturing sector's contribution to the State's economy reinforcing Madhya Pradesh's long-term goal of becoming a \$2 trillion economy as part of the Vision 2047 roadmap.

The Madhya Pradesh Industrial Development Corporation (MPIDC) and the Department of Industrial Policy and Investment Promotion (DIPIP) remain committed to fostering a facilitative business environment through seamless export infrastructure, financial assistance and policy support. With a progressive and transparent governance approach, businesses are encouraged to establish, expand and scale their operations in Madhya Pradesh, reinforcing the State's position as a premier hub for industrial excellence and global investment.

A handwritten signature in blue ink, appearing to be 'R' followed by a stylized flourish.

Raghwendra Kumar Singh
Principal Secretary

Department of Industrial Policy & Investment Promotion

Table of Contents

1. Introduction	1
2. Policy Period	2
3. Vision	2
4. Objectives	3
5. Strategy for Industrial Ecosystem Development	4
5.1 Industrial Infrastructure Development	4
5.2 Employment Generation and Skill Development	5
5.3 Promotion of Research and Development	6
5.4 Plug and Play Infrastructure Development	6
5.5 Trade and Export Promotion	6
5.6 Attracting Foreign Investments	6
5.7 Ease of Doing Business and Investor Facilitation	7
5.8 Simplified Land Management Rules	8
5.9 Effective Implementation Mechanism of the Policy	9
5.10 Sector Identification	9
6. Governance Structure	10
6.1 Cabinet Committee on Investment Promotion (CCIP)	10
6.2 State Level Empowered Committee (SLEC)	10
7. General Definitions	11
7.1 Focus Sectors	11
7.2 Definition of Industrial Units	11
7.3 New Large Scale Industrial Unit	12
7.4. Fixed Capital Investment (FCI)	12
7.5 Eligible Fixed Capital Investment (EFCI)	12
7.6 Expansion or Diversification	13
7.7 Technological Upgradation	13
8. Financial Incentives	14
8.1 Investment Promotion Assistance	14
8.2. Power Related Assistance	14
8.3 Green Industrialization Assistance	15
8.4 Infrastructure Development Assistance	15
8.5 Assistance for IPR and Organic Certification	15
8.6 Incentives to Provide Employment to Differently Abled Persons	15
8.7 Additional Incentives	16
8.8 Benefits for Standalone Facilities	16
9. Sector Specific Policies	18
9.1 Agri, Dairy, and Food Processing Policy	19
9.2 Textile Policy	22
9.3 Garment & Apparel, Footwear, Toys, and Accessories Policy	25
9.4 Aerospace and Defence Production Policy	29
9.5 Pharmaceuticals Policy	32
9.6 Biotechnology Policy	36
9.7 Medical Devices Policy	39
9.8 Electric Vehicle Manufacturing Policy	42
9.9 Renewable Energy Equipment Manufacturing Policy	45
9.10 High Value-Add Manufacturing Policy	47
10 Financial Assistance for Private Industrial Park Developers	50
11. Plug and Play Facilities for Manufacturing/Services Sector	51
12. Terms and Conditions for Industrial Promotion Policy, 2025	53
13. Amendment, Relaxation / Revocation Powers	54
14. Jurisdiction	54

Annexures	55
Annexure I - List of Ineligible Industries	55
Annexure II – Basic Investment Promotion Assistance	56
Annexure III – Export Multiple	57
Annexure IV – Employment multiple	58
Annexure V– FDI Multiple	59

Abbreviations

AGMARK	Agricultural Marketing Certification
APEDA	Agricultural and Processed Food Products Export Development Authority
ATMP	Assembly, Testing, Marking, and Packaging
BEE	Bureau of Energy Efficiency
BIPA	Basic Investment Promotion Assistance
BIS	Bureau of Indian Standards
BRAP	Business Reform Action Plan
CAF	Common Application Form
CAPEX	Capital Expenditure
CAGR	Cumulative Average Growth Rate
CBG	Compressed Biogas
CCIP	Cabinet Committee on Investment Promotion
CE	Conformité Européenne (European Conformity)
CETP	Common Effluent Treatment Plant
COD	Commercial Operation Date (or Date of Commercial Production)
CPCSEA	Committee for the Purpose of Control and Supervision of Experiments on Animals
CROs	Contract Research Organizations
CSIR	Council of Scientific and Industrial Research
DIPIP	Department of Industry Policy and Investment Promotion
DISCOMS	Distribution Companies
DPIIT	Department for Promotion of Industry and Internal Trade
DSIR	Department of Scientific and Industrial Research
EFCI	Eligible Fixed Capital Investment
EM	Export Multiple
EODB	Ease of Doing Business
ESG	Environmental Social and Governance
ESI	Employees' State Insurance
EV	Electric Vehicle
FCI	Fixed Capital Investment
FDI	Foreign Direct Investment
FPO	Food Products Order
FSAA	Food Safety and Standards Act
GI	Geographical Indication
GLP	Good Laboratory Practices
GMP	Good Manufacturing Practices
GoI	Government of India
GoMP	Government of Madhya Pradesh
GSDP	Gross State Domestic Product

GSM	Gross Supply Multiple
HT	High Tension
IAEC	Institutional Animal Ethics Committee
ICD	Inland Container Depot
IEM	Industrial Entrepreneur Memorandum
IPP	Industrial Promotion Policy
IPR	Intellectual Property Rights
IRM	Investment Relationship Manager
ISI	Indian Standards Institute
ISO	International Organization for Standardization
LCMS	Labour Case Management System
MMKSY	Mukhyamantri Kaushal Samvardhan Yojana
MMKY	Mukhyamantri Kaushalya Yojana
MMSKY	Mukhyamantri Seekho Kamao Yojana
MPERC	Madhya Pradesh Electricity Regulatory Commission
MPIDC	Madhya Pradesh Industrial Development Corporation
MSME	Micro, Small, and Medium Enterprises
NSWS	National Single Window System
OEM	Original Equipment Manufacturer
OMC	Oil Manufacturing Companies
PLI	Production Linked Incentive
PPP	Public Private Partnership
PF	Provident Fund
PSGA	Public Services Guarantee Act
PSU	Public Sector Undertaking
R&D	Research and Development
SEZ	Special Economic Zone
SLEC	State Level Empowered Committee
STP	Sewage Treatment Plant
SWS	Single Window System
TQM	Total Quality Management
UKMHRA	United Kingdom Medicines and Healthcare Products Regulatory Agency
USFDA	United States Food and Drug Administration
VGf	Viability Gap Funding
WHRS	Waste Heat Recovery System
ZLD	Zero Liquid Discharge

Introduction

Madhya Pradesh, India's second-largest state with a population of approximately 8.46 crore (84.6 million), is rapidly emerging as a hub for industrial growth. Positioned at the heart of India, the State leverages its strategic central location and excellent connectivity to key business centers, offering an ideal environment for investment. Backed by a peaceful, skilled workforce and proactive governance, Madhya Pradesh has become a preferred destination for industries seeking sustainable growth.

Madhya Pradesh's economy has shown remarkable resilience and dynamism, with its Gross State Domestic Product (GSDP) achieving an impressive CAGR of 12.49% over the past five years. In 2023-24, the GSDP reached ₹13,63,327 crore, growing at 6%, and is projected to rise to ₹15,22,220 crore in 2024-25. The manufacturing sector has been a key driver, recording impressive growth of 7.4% in 2023-24.

The State boasts a thriving industrial ecosystem driven by its strategic location, robust infrastructure, and investor-friendly policies. Madhya Pradesh is home to well-established industrial areas, supported by specialized industrial clusters and dedicated parks in key sectors such as automobiles, textiles, pharmaceuticals, medical devices, food processing, renewable energy manufacturing, and footwear and accessories. Its extensive network of roads, railways, and airports ensures seamless connectivity to domestic and international markets. The state's abundant natural resources, skilled workforce, and expanding renewable energy base provide a competitive edge to industries.

During the previous policy period, Madhya Pradesh emerged as a preferred investment destination due to its transparent and proactive approach. The State was the first to align its industrial policy with the GST regime, successfully delinking incentives from taxation. Key initiatives included the establishment of an integrated Single Window System (SWS) for expediting approvals and a GIS-enabled online land allotment module for transparent land allocation. These efforts significantly enhanced Ease of Doing Business (EoDB), earning Madhya Pradesh the "Top Achievers" position in the Business Reform Action Plan (BRAP) Rankings 2022.

Madhya Pradesh recognizes the need to attract investments in new-age industries amidst growing competition among states. This approach aligns with current global trends and the Government of India's initiatives to introduce sector-specific National Policies and Production Linked Incentive (PLI) schemes. The new Industrial Promotion Policy 2025 seeks to reinvent and highlight the state's unique offerings across various focus sectors, while actively engaging in ease of doing business to secure transformative investments.

Building on this strong foundation, the Industrial Promotion Policy 2025 reflects the Government of Madhya Pradesh's ambition to establish the State as a dominant force in India's industrial landscape. The policy focuses on attracting investments across strategic and emerging sectors, fostering innovation, sustainability, and inclusive growth, while promoting balanced regional development and creating long-term employment opportunities.

By leveraging its inherent strengths, including thriving industrial ecosystem, robust infrastructure, and flourishing agricultural base, Madhya Pradesh aims to position itself as the nation's premier industrial hub. The policy aligns seamlessly with the vision of "Viksit Bharat – Viksit Madhya Pradesh," contributing to the State's transformation into a global investment destination.

2.

Policy Period

This policy shall be effective from the date of notification of this policy for 5 years or till the launch of new policy. Any large-scale manufacturing units starting commercial production during this period shall be eligible to claim incentives under this policy. The Department of Industrial Policy and Investment Promotion shall publish a “Madhya Pradesh Industrial Investment Promotion Scheme, 2025” for smooth and timely implementation of this policy.



3.

Vision

The Vision of the Department of Industrial Policy and Investment Promotion through this Policy is to place Madhya Pradesh as the most promising global investment destination and create a robust industrial ecosystem. In addition to impelling industrialization in the State, the Policy envisions to achieve an inclusive balanced growth and deep-rooted economic prosperity across the State.



Objectives

Madhya Pradesh envisions to become a \$2 Tn (>₹250 lakh crore) economy by 2047. On these lines, it aims to achieve GSDP of approximately \$305 Bn (~₹27.2 lakh crore) by 2028-29.

This policy seeks to drive towards this target and achieve sustainable economic and industrial development, with emphasis on fostering growth, innovation, and inclusivity.

The objectives of the policy are:

- i. To drive industrial growth in Madhya Pradesh and increase industries contribution to the State's GDP from ₹2.9 lakh crore in FY 2023-24 to ₹5.4–5.9 lakh crore by 2028-29.
- ii. To develop world class industrial infrastructure in order to provide a holistic industrial ecosystem to the investors and ancillaries.
- iii. To promote environmentally sustainable industrial growth and balanced regional development.
- iv. To enhance employment opportunities in the State, with a special impetus on employment-intensive sectors, aiming to create around 20 lakh new job opportunities in next five years.
- v. To improve investor facilitation and enhance Ease of Doing Business in the State.
- vi. To create future-ready workforce by aligning state schemes with industry requirements.



Strategy for Industrial Ecosystem Development

Madhya Pradesh envisions becoming India's foremost industrial powerhouse, driven by a resilient and self-reliant ecosystem. This vision is supported by a dynamic strategy that prioritizes seamless investor facilitation, cutting-edge infrastructure development, effective trade promotion, and comprehensive skill enhancement. Through the following strategic initiatives, the State is poised to drive sustainable growth and establish itself as a premier destination for industry and innovation:

5.1 Industrial Infrastructure Development

Madhya Pradesh has a large industrial land bank and factors of production like power, water, land and other utilities available at competitive rates. To further enhance its industrial ecosystem, the State actively promotes land pooling for industrial use and facilitates the acquisition of government and private land for projects of all the scales. The State is steadfast in its commitment to develop world-class industrial infrastructure in the following ways:

- **Industrial Investment Corridors:**

Madhya Pradesh shall continue its endeavor to develop industrial corridors to strengthen connectivity and drive industrial growth across the State. Building on existing and planned corridors like the Narmada Expressway, Atal Pragati Path (Chambal Progressway), Delhi-Nagpur Industrial Corridor (DNIC), and Mumbai-Varanasi Corridor, the State aims to expand its network of strategic links between resource-rich regions and industrial hubs. These corridors will be designed to integrate existing industrial units, support new greenfield developments, and align with national initiatives, fostering regional growth along with enhancing the State's industrial framework.

- **Industrial Parks and Infrastructure Development:**

To align with global standards and attract investments, Madhya Pradesh is enhancing its industrial parks and infrastructure through strategic initiatives.

- » The State has developed 123 industrial parks and targets to establish 160+ industrial parks in the next five years through government intervention or private participation.
- » The State is actively enhancing its industrial infrastructure by incorporating stakeholder feedback and conducting need assessments, while benchmarking industrial parameters in alignment with the Industrial Park Rating System (IPRS) 2.0 standards.
- » The State is developing new industrial parks and sector-specific hubs with common amenities, in alignment with national infrastructure schemes. Key projects include the Medical Devices Park in Ujjain, the Leather, Footwear, and Accessories Park in Gwalior, the Power and Renewable Energy Equipment Manufacturing Zone in Narmadapuram, and the PM MITRA Park in Dhar. Special incentives will be extended to units established within these parks, ensuring a competitive edge for investors. Infrastructure upgrades will also be undertaken in existing and new industrial areas based on regional strengths and industry demand.
- » Industrial parks, plug-and-play facilities, IT parks, and other such facilities will



be established on MPIDC land via Public-Private Partnership (PPP), around strategically significant locations.

- » Critical and support infrastructure will be developed through Public-Private Partnerships (PPP) and Viability Gap Funding (VGF) support from the government, fostering sector-specific growth and boosting the State's industrial competitiveness.
- » Going forward, more such projects are envisaged to be developed in the future, focusing on emerging sectors and leveraging regional potential. The initiatives will position Madhya Pradesh as a powerhouse of industrial excellence.
- » The State government will prioritize the development of logistics infrastructure, including new Logistic Parks and Multi-Modal Logistics Parks (MMLPs), as well as the units established within these parks. To support this, Madhya Pradesh has introduced a dedicated Logistics and Warehousing Policy that will streamline processes, enhance efficiency, and attract more investments to the State.

- **Impetus to Sustainability:**

The State prioritizes green initiatives, emphasizing water recycling and the establishment of essential facilities such as Sewage Treatment Plants, Common Effluent Treatment Plants, and Zero Liquid Discharge facilities within industrial areas. In addition to incentivizing industrial units for setting up such facilities in their premises, the policy stresses to develop Common Industrial Facilities (CIF) within the industrial parks through private sector participation for ensuring a conducive ecosystem for industries within the industrial parks.

- **Social Infrastructure**

- » Madhya Pradesh is dedicated to fostering a comprehensive industrial ecosystem by seamlessly integrating essential services such as healthcare, education, and housing within industrial zones. Dedicated residential and commercial areas are being earmarked in the new Industrial Areas for this purpose.
- » In addition to this, the State will formulate an integrated development plan that encompasses both industrial and socio-economic infrastructure, this shall be done in collaboration with key departments, including MSME, Health, Urban Development, and other relevant departments.
- » The State Government, through its institutions, may facilitate the development of industrial housing facilities under Pradhan Mantri Awas Yojana (PMAY) or via PPP framework, supported by VGF from the government.

- **Balanced Regional Development:**

- » The Government of Madhya Pradesh is committed to ensuring balanced regional development across the State. To achieve this, the Policy provides additional multiple over Basic Investment Promotion Assistance to units in priority areas.
- » In addition to this, the State will encourage industrial parks in various districts based on their strengths and availability of natural resources.
- » In order to develop local skill base, it is envisaged to develop and collaborate with industrial training centers and establish centers of excellence in priority areas. This approach aims to stimulate growth in developing and underdeveloped areas, fostering equitable economic development and ensuring all regions benefit from industrialization and investment opportunities.

5.2 Employment Generation and Skill Development

- Madhya Pradesh emphasizes employment generation and skill development to align workforce capabilities with industry needs. The State offers enhanced Basic Investment Promotion Assistance (Employment Multiple) for job creation and special incentives for industries focusing on increasing employment.

- The policy supports labor-intensive industries with targeted assistance for training and skill development.
- Additionally, new training programs will be developed in consultation with experts, focusing on emerging sectors in alignment with the National Skill Qualification Framework (NSQF). Existing institutes will be nominated to provide vocational training, and Apprenticeship programs in industries and smart manufacturing will be encouraged. To achieve this, the State will leverage convergence with various relevant schemes and policies including Mukhyamantri Kaushal Samvardhan Yojana (MMKSY), Mukhyamantri Kaushalya Yojana (MMKY), and Mukhyamantri Seekho Kamao Yojana (MMSKY), and national skill development schemes like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and other sector-specific skilling programs ensuring a holistic approach to skill development.
- Madhya Pradesh is home to the Global Skills Park in Bhopal, which provides world-class skill training aligned with international industry standards.
- The State will leverage government ITIs for private sector collaboration, enabling industry-relevant training programs to ensure an industry-ready workforce

5.3 Promotion of Research and Development

- Madhya Pradesh aims to foster innovation by attracting research and development firms through targeted policy incentives. These firms will focus on advanced R&D activities, including technological innovation, design and engineering advancements, product development, and resource efficiency improvements. The State will also encourage collaboration between national R&D institutions and international agencies to facilitate knowledge exchange and drive cutting-edge research.
- Under Industrial Promotion Policy (IPP) 2025, R&D infrastructure is recognized as part of Eligible Fixed Capital Investment, and standalone R&D units are being given a separate set of incentives. This initiative is designed to position Madhya Pradesh as a leading hub for innovation and technological advancement.

5.4 Plug and Play Infrastructure Development

Madhya Pradesh is committed to fostering an industrial ecosystem that supports rapid business establishment and growth. The State offers attractive incentives for plug-and-play infrastructure developers, aiming to attract private sector participation in creating ready-to-use industrial spaces with essential common facilities. These incentives are designed to encourage the development of high-quality, standardized infrastructure that can accommodate industries with minimal setup time. Additionally, industries establishing operations within these plug-and-play facilities will benefit from streamlined processes and further incentives.

5.5 Trade and Export Promotion

The State Government is committed to boosting trade and export activities by working closely with the Government of India to streamline processes. It offers special incentives to exporters and promotes initiatives like “District as Export Hub” and “One District One Product.” Additionally, the Government will actively support the GI-tagging of the products to enhance the State’s global trade footprint.

For the first time, the State government is coming up with a dedicated Exports Promotion Policy, which aims to further boost exports and support the transportation of goods from the State to the ports or air cargo terminal.

5.6 Attracting Foreign Investments

- Madhya Pradesh aims to boost economic growth by driving Foreign Direct Investments (FDI) in key sectors and improving its FDI rank. The State will foster a competitive investment landscape with special focus on high-growth sectors by promoting advanced technologies, strengthening industrial infrastructure, and establishing innovation hubs. To ensure a smooth business setup process for the foreign investments, an exclusive investor facilitation database will be developed offering readily available insights into the State’s ecosystem.
- The State will adopt a country-focused approach to attract relevant investors, including country-sector

mapping, addressing specific country requirements, partnership of Indian associations with foreign counterparts, initiating country desks, and developing Country-Specific Industrial Townships through PPP and Joint Ventures. Foreign anchor units in country-specific industrial townships will be eligible to receive customized packages through CCIP. These townships are envisioned to be a complete ecosystem in itself, consisting of foreign industrial units, its ancillary units, residential areas, and social amenities like schools, language training centers, banks, hospitals, and shopping areas. This strategy aims to foster sector-specific growth and enhance the State's industrial competitiveness.

5.7 Ease of Doing Business and Investor Facilitation

Madhya Pradesh is dedicated to enhancing its business environment through strategic regulatory reforms. The State was ranked fourth in Ease of Doing Business (EoDB) in 2019 by Government of India and was featured in the "Achiever's category" in 2020, and "Top Achievers" in BRAP rankings in 2022, showing continuous year-on-year improvement in EODB rankings.

Key initiatives to enhance EoDB in the State include:

- **'Start Your Business in 30 Days' initiative:**
Aims to provide clearances for establishing businesses within 30 days of receiving the application. Initially, 45 services across 9 departments have been brought under this scope. The initiative has reduced the timeline of 45 business-essential services (e.g., Land Allotment, Water Connection, Building Permission, Factory Plan Approval, Consent to Establish, Electricity Connection, etc.) to 30 days or less. Additionally, deemed approvals have been introduced in 35 key services.
- **Single Window System 'INVEST' portal (www.invest.mp.gov.in):**
Serves as a single point and transparent interface with an inbuilt time-bound clearance mechanism, minimizing physical interactions with various departments and authorities by offering a Combined Application Form (CAF). As of the year 2024, 54 services across 13 departments have been integrated into the INVEST Portal. The State's Single Window System is integrated with the National Single Window System (NSWS) for seamless approvals.
- **Madhya Pradesh Udyogon ki Sthapna Evam Parichalan ka Saralikaran Adhiniyam, 2023:**
The Act simplifies industrial setup and operations by exempting specified approvals and their inspections for three years or until commercial operations begin. Exemptions are provided for 22 approvals across 8 departments, ensuring a streamlined regulatory process. To facilitate industrial growth, large number of State's industrial areas have been notified under the Act. The application process for these exemptions is fully automated through the State's Single Window System – Invest Portal.
- **Online Land Allotment:**
Ensured through the INVEST Portal in a transparent and hassle-free manner.
- **Incentive Module and Claims Filing:**
Integrated into the INVEST portal under the Industrial Promotion Policy.
- **Public Service Guarantee Act:**
Madhya Pradesh was the first State in India to enact the Public Services Guarantee Act (PSGA) in 2010. At present 748 services have been notified under the Act. Among many services, investor-related services are also notified under this act, with provisions for deemed approvals enforced through online systems to ensure timely service delivery.
- **Strengthening Good Governance & Service Delivery:**
To ensure efficient, transparent, and accountable public service delivery, the Madhya Pradesh Government has implemented key governance reforms, benefiting both citizens and businesses. These initiatives streamline processes, improve service accessibility, and reinforce the State's commitment to Good Governance. Key reforms include-
 - » Public Service Management Department – A dedicated body established to drive and oversee service delivery reforms across the State.

- » State Agency for Public Services (2013) – Tasked with the effective implementation, execution, and monitoring of services under the Act.
- » Integration of Business Services – All essential industry-related services required for operational setup have been brought under the Act, ensuring a seamless and time-bound approval process

- **Labour Case Management System (LCMS):**

Madhya Pradesh is the first state in India to implement the Labour Case Management System (LCMS), providing a seamless and efficient platform for resolving labor-related disputes. The service is accessible online at <https://lcms.mponline.gov.in/>, ensuring ease of use for stakeholders. As of today, more than 6,000 cases have been successfully resolved through LCMS, demonstrating its effectiveness in streamlining labor dispute resolution.

- **Jan Vishwas (Amendment of Provisions) Bill 2024:**

As part of the Minimizing Compliance Burden initiative by DPIIT, Government of India, Madhya Pradesh has reduced 2,635 compliances—997 for businesses and 1,638 for citizens—across 37 State Government Departments to enhance ease of doing business and governance efficiency. Additionally, the State has repealed 920 redundant Acts to streamline regulatory processes. Further reinforcing its commitment to investor- and citizen-friendly reforms, 131 provisions have been decriminalized, including 67 earlier and 64 under the MP Jan Vishwas (Amendment of Provisions) Bill, 2024.

- **GIS-Based Land Allotment System:**

The GIS-Based Land Allotment System in Madhya Pradesh is seamlessly integrated with the India Industrial Land Bank (IILB), making it the only state to update its data in real time on the platform. To enhance efficiency, deemed approvals for issuing Letters of Intent (LoI) and Letters of Allotment (LoA) have been implemented, significantly reducing the timeline from 59 days to 29 days.

To ensure seamless investor support, Madhya Pradesh Industrial Development Corporation (MPIDC) offers a range of services designed to aid investment decisions and assist investors throughout their journey. Each sector is supported by dedicated experts, nodal officers from relevant departments, and approval support personnel to speed up the implementation of investment proposals. Additionally, district investment facilitation cells are established to provide ground-level support, assist with location benchmarking, and guide investment decisions. The State will also adhere to the recommendations of the “Investor Friendly Charter for States” created by NITI Aayog to foster a conducive business environment, attract investments, and drive economic growth.

5.8 Simplified Land Management Rules

To ensure time-bound and transparent land allotment, the MP State Industrial Land and Building Management Rules 2019 (as amended in 2022) have been further simplified under the Industrial Promotion Policy 2025. The updated framework includes the following provisions:

i) Allotment of Undeveloped Land

a. Within Municipal Boundaries: Allotment will be decided by a committee headed by the Principal Secretary, DIPIP, following the MP State Industrial Land and Building Management Rules 2019 (Amended 2022)

b. Outside Municipal Boundaries: Land will be allotted on a first-come, first-serve basis by the committee, as per the prevalent land management rules.

ii) Allotment of Developed Land

a. All plots in developed and developing industrial areas will be listed online for transparent access.

b. These plots shall be available for bidding upfront and then allotted on first come first serve basis to large and Mega units.

c. MPIDC will ensure that the online land allotment portal is updated regularly with real-time data on land availability.

d.Land in GOI-funded industrial parks or special projects will be allotted as per existing GOI and State Government guidelines.

5.9 Effective Implementation Mechanism of the Policy

The policy establishes a robust governance structure to ensure objective, transparent, and time-bound delivery of incentives. A streamlined online process, supported by the Single Window System, will facilitate efficient processing and status tracking ensuring timely service delivery. The complete process of the implementation shall be brought under the ambit of Public Service Guarantee Act. This reiterates State's commitment to foster a conducive, investor-friendly environment for sustainable industrial growth.

5.10 Sector Identification

The State has identified focus sectors and high potential sectors critical to driving its economic growth. These sectors, which have been the backbone of the State's economy and have future potential, are essential to its continued progress and prosperity. The policy shall also cater to new sunrise sectors that may be identified in the future. By prioritizing such industries, the State aims to build on its strengths, foster innovation, and create sustainable opportunities for businesses and communities. This strategic emphasis ensures that resources are directed toward areas with high growth potential, helping to attract investments, generate employment, and establish the State as a competitive hub in the global economy.

Governance Structure

6.1 Cabinet Committee on Investment Promotion (CCIP)

- i. The Cabinet Committee on Investment Promotion (CCIP) has been constituted under the chairmanship of the Chief Minister. Other members shall include Ministers of Finance, Commercial Tax, and Industrial Policy and Investment Promotion and other members as notified by the General Administration Department (GAD) from time to time.
- ii. The CCIP is empowered to sanction a customized package of assistance over and above the provisions within the prevalent investment promotion policies of GoMP on case-to-case basis. Such packages shall be available only to Mega Industrial Units.
- iii. As part of the special package, CCIP may sanction fiscal concessions exemptions, waivers, deferrals etc on electricity duty, stamp duty, royalty, government dues, penal interest etc.
- iv. CCIP is empowered to address any gaps in the implementation and interpretation of this Policy.
- v. On the request of investors or Suo-moto, CCIP may review incentive packages sanctioned to any Mega industrial unit.
- vi. MPIDC shall act as the Secretariat for CCIP.
- vii. For sectors other than manufacturing sectors like Tourism, IT, Energy, Health etc, the concerned departments shall put up the cases for CCIP through MPIDC

6.2 State Level Empowered Committee (SLEC)

- i. SLEC is headed by the Chief Secretary and consists of Principal Secretaries of Department of Finance, Commercial Tax, Energy and Industrial Policy and Investment Promotion. Managing Director, MPIDC is the Member Secretary of the committee.
- ii. The SLEC shall take up inter-departmental coordination and determine the eligibility of assistance as per policy and within the overall customized packages sanctioned by CCIP for Mega industrial units.
- iii. MD, MPIDC is empowered to sanction and disburse incentives as per the eligibility determined by SLEC.



General Definitions

7.1 Focus Sectors

Madhya Pradesh has identified few key sectors that can capitalize on its strategic location, abundant resources, skilled workforce, and strong manufacturing base. Under the Industrial Promotion Policy 2025, these sectors are designated as focus sectors, with select industries receiving targeted incentives, while others benefit from the general incentive framework.

The focus sectors include:

- i. Aerospace and Defence
- ii. Agri, Dairy and Food Processing
- iii. Automobile and auto components
- iv. Biotechnology
- v. Engineering
- vi. EV Manufacturing
- vii. Garment and Apparel, Footwear, Toys, and accessories
- viii. High-Value Add Manufacturing
- ix. Logistics and Warehousing
- x. Medical Devices
- xi. Pharmaceuticals
- xii. Renewable Energy Equipment Manufacturing
- xiii. Textiles

7.2 Definition of Industrial Units

1. MSME Unit

As defined under the 'Micro, Small and Medium Enterprises Development Act, 2006' by the Ministry of MSME (hereinafter referred to as MSMED Act, 2006), Government of India and amended from time to time.

2. Large Scale Industrial Unit

A manufacturing enterprise which is not classified as MSME as per MSMED ACT 2006 as amended from time to time.

3. Mega Scale Industrial Unit for Customized Package

A unit having an investment of more than:

- 1) More than ₹500 Crore in Plant & Machinery as per MSMED Act, 2006.
- 2) More than ₹250 Crore in Plant & Machinery as per MSMED Act, 2006 for following sectors
 - » a. Any Large Industrial Unit coming in Priority Blocks.
 - » b. High Potential Sectors include-
 - i. Personal Care and Cosmetics
 - ii. Petrochemicals, Plastics and Polymers
 - iii. Pharmaceutical and Biotechnology
 - iv. Renewable Energy Equipment Manufacturing
 - v. Telecommunication & Networking Products



vi. Any sunrise sector as defined by the State government from time to time.

3) More than ₹75 Crore in Plant & Machinery as per MSMED Act, 2006 in the following sectors:

- » a. Agri, Dairy and Food Processing
- » b. Furniture Manufacturing
- » c. Garment, Footwear, Toys and Accessories
- » d. Gems & Jewellery
- » e. Herbal and Minor Forest Produce
- » f. High Value-Add Manufacturing

4) Other Sectors (Like IT, ITeS, Tourism, Healthcare, Renewable Energy, etc) as per the policies of their respective department.

7.3 New Large Scale Industrial Unit

New Large Scale Industrial units shall mean the following:

i. An industrial entity by which a separate intention to invest proposal has been filed with MPIDC and IEMs (Industrial Entrepreneur Memorandum) Part-A and Part-B has been received for this purpose from the DPIIT, Ministry of Commerce and Industry, Government of India.

AND

In which new electricity connection has been obtained from the electricity distribution company

AND

Each unit should be physically identifiable

AND

Should be registered under the GST Act.

ii. Investment made by the unit three years prior to the start of Commercial Production and within one year from the start of Commercial Production shall be allowed for the calculation of eligible investment as per definitions.

7.4. Fixed Capital Investment (FCI)

Fixed Capital Investment (FCI) is defined as investment in all fixed assets excluding land.

7.5 Eligible Fixed Capital Investment (EFCI)

1. Plant and Machinery as defined in the MSMED Act, 2006 excluding:

- » a) Old Machinery
- » b) Investments made in ETP, STP, ZLD and other pollution control equipment, Waste Heat Recovery System (WHRS) & Co-generation systems, and renewable & non-renewable energy devices.

2. Factory sheds and Buildings excluding compound wall, internal roads and dwelling units.

3. In-house R&D (capped at 40% of Plant & Machinery with Factory sheds and Buildings) registered under Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. In-house R&D for pharmaceuticals and biotechnology sector (capped at 50% of the Plant & Machinery with Factory sheds and Buildings).

4. 50% cost of captive power based on renewable energy (Maximum limit 20% of Plant & Machinery with Factory sheds and Buildings), provided that not less than 51% of power so generated is for consumption at the plant site.

5. 20% cost of the energy saving devices like WHRS, Co-generation systems (Maximum upto a limit of 20% of Plant & Machinery with Factory sheds and Buildings)

6. Imported Second hand or refurbished machinery with an expected machinery life of 10 years.

7.6 Expansion or Diversification

The units undertaking expansion, diversification or expansion cum diversification as defined below shall be eligible for incentives as new unit:

1. Units undertaking expansion in existing capacity, and/or diversification should invest a minimum of 30% of the existing investment (not less than ₹20 Crore) in plant and machinery or ₹100 Crore, whichever is lower.

2. In case of expansion, there should be at least 20% increase in existing capacity.

3. Investment made by the unit during the last 2 years and the next 1 year from the date of commercial production of such expansion or diversification shall be eligible for incentives in expansion and diversification.

7.7 Technological Upgradation

Technological upgradation refers to units upgrading their technology (only related to production) and investing at least 30% of existing investment (with a minimum of ₹20 Crore) or ₹100 Crore in Plant & Machinery, whichever is lower. The unit should be in commercial production for last 7 years for claiming technological upgradation incentive (without the change of product). Any type of unit undergoing technological upgradation shall only be eligible for the following incentives:

1. The units undergoing technological upgradation shall be eligible for the IPA at the rate of 10% of the investment made in EFCI, capped at maximum of ₹20 Crore in 7 equal instalments.

2. Investment made by the unit during last 2 years and next 1 year from the date of production shall be eligible for incentives in Technological Upgradation.

Financial Incentives

8.1 Investment Promotion Assistance

Basic Investment Promotion Assistance (BIPA):

Basic Investment Promotion Assistance for large units shall vary between 40% to 10% based on the below formula:

$$\text{BIPA} = \text{IF}(\text{EFCI} > 2000, 200, \text{IF}(\text{EFCI} \leq 50, 0.4 * \text{EFCI}, \text{MIN}(15 + 0.08 * (\text{EFCI} - 50) + (\text{EFCI}/12) * ((1/(1 + \text{EXP}(-5.9 * (1 - \text{EFCI}/2490))))(1 - \text{EFCI}/2490)) + 9.3(1 - \text{EFCI}/2500), 0.4 * \text{EFCI}, 200)))$$

A. BIPA shall be limited to maximum ₹200 Crore.

B. BIPA shall be provided in 7 equal annual instalments defined as Yearly BIPA.

Incentive Multipliers

#	MULTIPLIER	DESCRIPTION
1	Gross Supply Multiple (GSM)	For 1 st year, GSM shall be 1, provided utilization of the total installed capacity is 40%. For 2 nd year onwards, GSM shall be 1 provided the production is 75% of previous peak year or 50% of installed capacity, whichever is more. In case the above conditions are not fulfilled, GSM shall be reduced proportionately.
2	Export Multiple (EM)	1.0 to 1.3 for exports ranging from 25% to 75% as per Annexure III. The Export Multiple shall be '1' for units coming in SEZ areas.
3	Employment Multiple	1.0 to 1.5 for employment over 100 employees to 2,500 employees as per Annexure IV.
4	Geographical Multiple	Multiple of 1.3 for setting up units in Priority Blocks. However, this geographical multiple shall be '1' for cement units.

8.2. Power Related Assistance

Power Tariff Rebate: New units in the State purchasing power from the DISCOMS/ GRID shall be provided the tariff rebate, if any, as per the annual tariff plan orders issued by Madhya Pradesh Electricity Regulatory Commission (MPERC).



8.3 Green Industrialization Assistance

Units shall be provided a capital subsidy of 50% subject to a maximum of ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge in the unit premises. The assistance shall be sanctioned in 2 equal annual instalments.

8.4 Infrastructure Development Assistance

Units shall be eligible for 50% assistance, subject to a maximum of ₹5 Crore, for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate if the investor acquires private land or gets undeveloped Government land for setting up of the unit.

8.5 Assistance for IPR and Organic Certification

To promote research, development, and sustainable practices in the State, Madhya Pradesh will provide the following reimbursements for units established within the State during the policy period:

i. IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit in first 5 years.

ii. Organic Certification Assistance: 100% reimbursement of expenses incurred for obtaining organic certifications from APEDA-accredited agencies, subject to a maximum of ₹5 Lakh per unit in first 5 years.

8.6 Incentives to Provide Employment to Differently Abled Persons

Units providing employment to persons with disabilities (minimum 5% of total workforce) will be eligible for following incentives:

i. Skill Development: 100% reimbursement of expenses incurred on skill development training for persons with disabilities in government ITIs.

ii. Employees' Provident Fund (EPF) and Employee State Insurance (ESI) Assistance: Reimbursement of employees' contribution being deposited by the employer for differently abled employees, with a maximum of ₹6,000/month or the actual amount deposited (whichever is less), for a period of 5 years.

iii. Reimbursement of Insurance Premium: Reimbursement of premiums paid for the insurance of differently abled employees who are not eligible for free insurance under the Ayushman Bharat Scheme 2018.

iv. Deduction of Government Assistance: If the industries have received similar assistance under any Government of India scheme, such assistance will be deducted from the incentive payable.

8.7 Additional Incentives

8.7.1 Assistance for Units Bringing in FDI

Foreign Direct Investment (FDI) is crucial for economic growth in emerging markets by introducing new technologies, creating jobs, and enhancing value chains. Madhya Pradesh, despite its economic potential, has seen modest FDI inflows, highlighting the need to improve infrastructure, leverage key sectors, and enhance the State's overall investment environment to position it as a leading FDI destination in India.

Eligibility:

i. The Project shall not come under prohibited or ineligible category as per the Industrial Promotion Policy 2025.

ii. Foreign Direct Investment (FDI) in large industrial units would be eligible in accordance with the "List of Permitted & Prohibited Sectors" governed by "Chapter 5: Sector Specific Conditions on FDI" of FDI Policy Notified by the DPIIT GoI in 2020.¹

¹ Government of India. *FDI Policy Circular 2020*. DPIIT, Ministry of Commerce and Industry, October 29, 2020. Available at: https://dpiit.gov.in/sites/default/files/FDI-PolicyCircular-2020-29October2020_1.pdf

Fiscal Incentives

i. Reimbursement of Cost of Transfer of International Technology: Units shall be reimbursed 50% of the cost of international technology transfer up to ₹1 Crore if they develop local units as their vendor through technology transfer.

ii. FDI Multiple: The FDI Multiple will be applied to BIPA based on the percentage of FDI equity in the unit. For FDI equity from 26% to 50%, the multiple will range from 1.1 to 1.2, while units with more than 50% FDI equity will receive a fixed multiple of 1.2.

8.7.2 Industrial Housing

The Government of Madhya Pradesh envisions the promotion of 'live-near-work' model to enhance the quality of life of workers. Industries are encouraged to integrate residential accommodations and amenities, such as healthcare centers, educational institutions, and recreational facilities, to support their workforce.

The State shall endeavour to leverage benefits provided under Pradhan Mantri Awas Yojana (PMAY) for enhancing the industrial housing facilities to ensure access to quality housing for industrial workers.

The State Government, through its institutions, may facilitate the development of industrial housing facilities under a Public-Private Partnership (PPP) framework, supported by Viability Gap Funding (VGF) upto 40%, from the Government. These facilities will be made available to the industries on a rental basis, specifically designed to meet the needs of industries and their workforce. This initiative underscores the Government's commitment to drive sustainable industrial growth while improving the living standards and overall well-being of workers.

8.7.3 Export Freight Subsidy for Transportation of Goods

Export units shall be eligible for reimbursement of 50% of the transportation costs incurred for moving finished goods from the factory premises to the seaport or to the air cargo facility. This subsidy is available for a period of 5 years upto ₹40 Lakh per unit, per year, maximum upto ₹ 2 Crore.

8.7.4 Support Through Skill Development Initiatives

Industrial units eligible under this policy can claim skilling-related incentives under the prevailing skill development schemes of the Government of Madhya Pradesh and the Government of India. These incentives aim to support workforce development, enhance employability and address the skill requirements of industries.

Applicable Schemes:

i. Units may leverage the skilling initiatives of the Government of Madhya Pradesh, including but not limited to the Mukhyamantri Kaushal Samvardhan Yojana (MMKSY), Mukhyamantri Kaushalya Yojana (MMKY), and Mukhyamantri Seekho Kamao Yojana (MMSKY). Within MMSKY scheme, the government is currently providing stipend reimbursement of Rs. 8000 to 10,000 per month.

ii. Central schemes like the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) and other sector-specific skilling programs will also be accessible, subject to scheme guidelines.

iii. Any other skilling scheme that the Government may come up with from time to time.

8.8 Benefits for Standalone Facilities

8.8.1 Promotion of Standalone Industrial Utilities and Green Industrialization

The State shall promote the development of standalone common industrial utilities, including power, water, boiler, gas pipelines, and waste management systems such as Common Effluent Treatment Plants (CETP) and Zero Liquid Discharge (ZLD), through PPP model. VGF support shall be provided by the Government to facilitate these projects.

MPIDC will conduct a comprehensive survey of industrial areas to assess infrastructure needs and invite

private players for the development of these utilities on a PPP basis. Land allotment provisions for such projects shall be governed as per the prevailing Industrial Land and Building Management Rules.

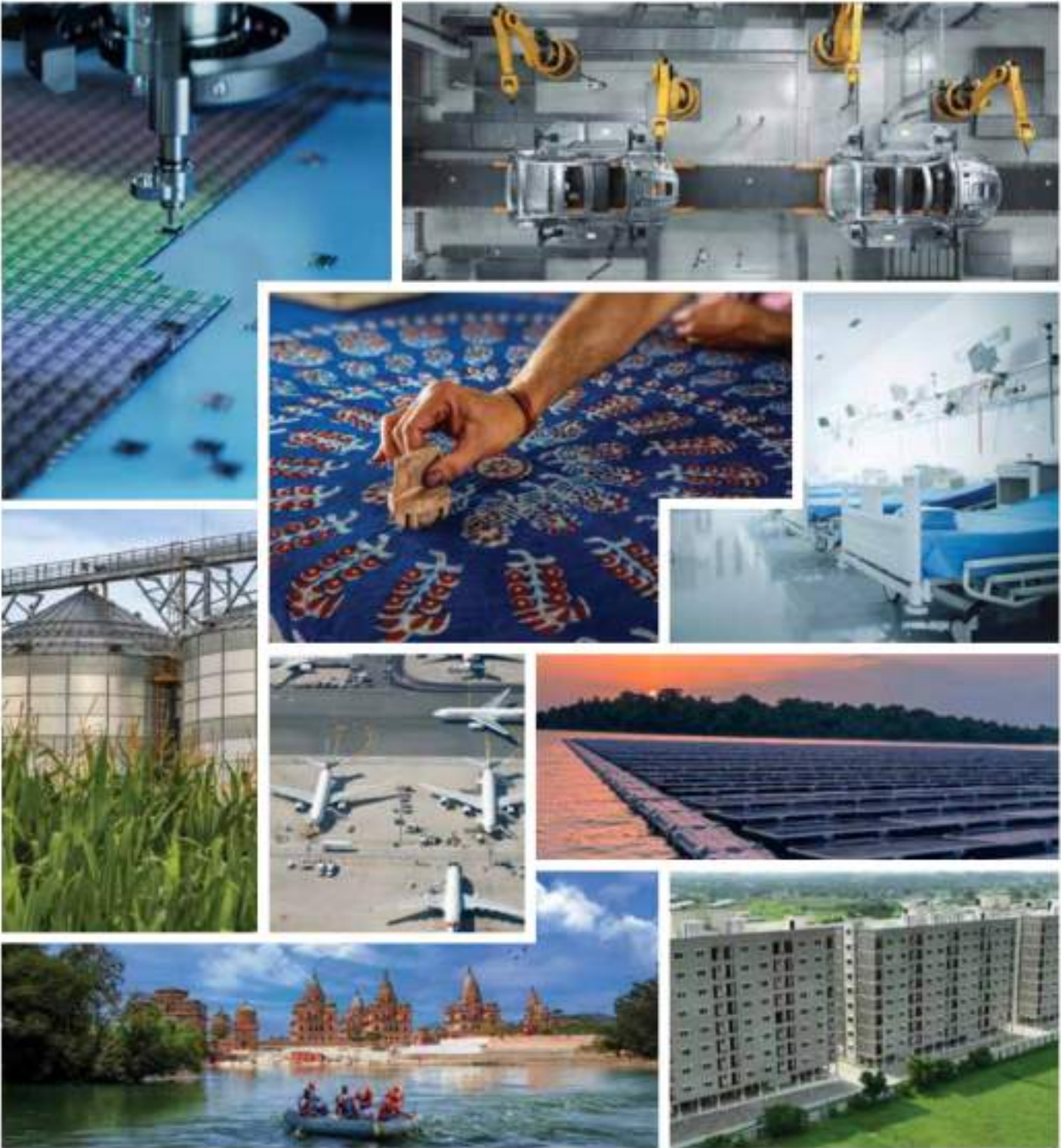
8.8.2 Assistance for Standalone Research and Development Facilities, Industrial Testing / Certification Labs

In the purview of impelling the standalone R&D landscape across the State and to provide the necessary momentum for its growth, the State shall provide reimbursement of 25% of the Fixed capital investment (excluding land) (up to a max. of ₹25 Crore) for standalone R&D units recognized by Council of Industrial Research (CSIR) /Department of Scientific and Industrial Research (DSIR) in 4 equal annual instalments.

Standalone R&D firms are expected to focus on innovative research and development aligned with their business objectives. This includes activities such as developing new technologies, design and engineering innovations, product development, creating advanced methods for analysis and testing, and enhancing resource efficiency. At the time of application, these units must present clearly defined, time-bound R&D programs aimed at delivering innovative products or technologies. Firms involved solely in market research, work and methods study, operational and management research, routine testing and analysis, process and quality control, or day-to-day production and maintenance will not qualify as R&D firms.

9.

Sector Specific Policies





9.1

Agri, Dairy, and Food Processing Policy

Madhya Pradesh, primarily an agrarian State, has made remarkable progress in reaching high yields and is, leading in the production of key crops such as oilseeds, pulses and spices. The State is one of the largest milk producing states in the country. The State Government aims to encourage dairy processing along with food and agri processing in the State, to boost the contribution of these sectors in the GSDP. This sector also generates huge employment opportunities and attracts significant investment while addressing the rural-urban economic divide. For encouraging the investors in the sector, apart from the general incentives, certain special incentives are being offered in this policy, namely, Food Processing Multiple, Mandi Fee Reimbursement, Power Tariff Reimbursement and Incentive for Quality Certification.





The Krishi Udan Scheme under Ministry of Civil Aviation supports Madhya Pradesh's agri-processing growth by enabling faster transport of perishable goods, enhancing supply chains, and boosting export potential. By linking processing with Krishi Udan, the State ensures better market access and reduced wastage. Additionally, the State plans to leverage Krishi Udan for industrial units in this sector to further strengthen logistics and competitiveness.



9.1.1. Definitions

- 1. Agri, Dairy and Food Processing** is defined as transforming agricultural products into food that are in consumable form or transforming one food item into another by adding value to it. Agri, Dairy and Food Processing shall exclude individual grading, packaging, cleaning, and sorting units whereby no physical properties or value addition in terms of increased shelf life is being undertaken.
- Based on physical properties of the final product, food processing is generally classified in two categories, manufactured processes and other value-added processes as defined below:
 - » **Manufactured Processes**- whereby the original physical property of the product undergoes a change through a process involving employees, power, machines or money and the transformed product is edible and has a commercial value.
 - » **Other Value-Added Processes** where the product does not undergo any manufacturing process, but gains significant value addition like increased shelf life, shelled and ready for consumption etc.
- 3. Dairy and Milk Processing** – refers to the industrial treatment and conversion of raw milk into a wide variety of dairy products. This process ensures safety, quality, and extended shelf life through steps like filtration, pasteurization, homogenization, fermentation, and packaging.

9.1.2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.
	Assistance for IPR and Organic Certification <ul style="list-style-type: none">• IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.• Organic Certification Assistance: 100% reimbursement of expenses incurred for obtaining organic certifications from APEDA-accredited agencies, subject to a maximum of ₹5 Lakh per unit.

	<p>Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:</p> <ol style="list-style-type: none"> 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. Medical insurance premium reimbursement for 5 years
	<p>Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.</p>
	<p>Food Processing Multiple 1.5 times of BIPA would be provided to Agri, Dairy and Food Processing units.</p>
	<p>Power Tariff Reimbursement Power Tariff reimbursement of ₹1/unit shall be given to the units in this sector for a period of 5 years.</p>
	<p>Mandi Fee Reimbursement 100% Mandi fee shall be reimbursed on procurement of agricultural produce for a period of 5 years or a maximum of 50% of investment in Plant & machinery (whichever is earlier or lower).</p>
	<p>Incentive for Quality Certification Projects obtaining certifications like GMP, USFDA, ISO, ISI, BIS, FPO, AGMARK, Ecomark or any other national or international quality certification shall be given a subsidy of 50% of the total cost incurred for obtaining the certification or ₹5 Lakh, for the period of 5 years, whichever is lower or earlier.</p>



Customized Package

Mega Industrial Units with an investment of more than

₹75 Crores

in this sector shall be eligible to avail this package under CCIP.



9.2

Textile Policy

Madhya Pradesh is a significant player in India's textile industry, known for its substantial cotton production and vibrant textile hubs, including Indore, Bhopal, and Ujjain. The State hosts a robust ecosystem with more than 60 large textile mills and thousands of looms. Madhya Pradesh is also renowned for its traditional textiles like Chanderi, Maheshwari, and Bagh prints. The State has seen a remarkable growth in organic cotton production, contributing to 38% of India's total output. In order to further boost this sector's contribution to manufacturing, the State has come up with Interest Subvention along with incentives for setting up Apparel Training Institute for the textile sector. In addition to all of the above, the Government of India funded Integrated Textile Park - PM MITRA Park in Dhar is coming up in a grandiose scale to attract the top sector players.











9.2.1. Definitions

The term textile unit shall include following manufacturing units:

- Sericulture and Silk Production: This includes all activities related to sericulture, including chaaki and koya production, and the reeling process.
- Jute Product Manufacturing: All activities involved in the production of jute-based products.
- Non-Woven Fabric Manufacturing: All activities related to the production of non-woven fabrics.
- Textile Manufacturing Processes: Spinning, weaving, knitting, and associated activities.
- Pre-Spinning Processes: Processes related to the preparation of all kinds of textile fibers, such as ginning and pressing, as well as the production of synthetic fibers including polyester, viscose, nylon, acrylic staple fiber, filament yarn, and recycled polyester staple fiber.
- Post-Spinning and Pre-Weaving Processes: Activities including winding, drawing, twisting, doubling, reeling, texturizing, crimping, and entanglement, as well as all pre-weaving processes such as warping and sizing.
- Textile Processing and Finishing: Dyeing, processing, printing, and embroidery, including the production of embroidered fabrics.
- Production of Mats: The production of Polypropylene Mats exclusively on power looms.
- Technical Textiles: Such textile production which is aimed not only at fabric production but also at creating products which could be used in the industrial, defence, research and other advanced sectors due to its specialized technical properties. These products are classified into following categories based on their quality and end use: (1) Agro tech, (2) Build tech, (3) Cloth tech, (4) Geo tech (5) Home tech, (6) Ind tech, (7) Medi tech, (8) Mobile tech, (9) Echo tech, (10) Pack tech, (11) Pro tech (Protective textile) (12) Sport tech, (13) Defence tech, (14) Products announced by Textiles Ministry of Central Government from time to time.

9.2.2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.

	<p>Assistance for IPR and Organic Certification</p> <ul style="list-style-type: none"> • IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit. • Organic Certification Assistance: 100% reimbursement of expenses incurred for obtaining organic certifications from APEDA-accredited agencies, subject to a maximum of ₹5 Lakh per unit.
	<p>Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:</p> <ol style="list-style-type: none"> 1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. 3. Medical insurance premium reimbursement for 5 years
	<p>Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.</p>
	<p>Interest Subsidy 5% interest subsidy on term loan taken for Plant & Machinery for 5 years, maximum upto ₹50 Crore, from date of commercial production.</p>
	<p>Incentive for establishing Apparel Training Institute Units shall be given 25% subsidy for establishment of Apparel Training Institute up to a maximum limit of ₹50 lakh.</p>



Customized Package

Mega Industrial Units with an investment of more than

₹500 Crores

in this sector shall be eligible to avail this package under CCIP.



9.3

Garment & Apparel, Footwear, Toys, and Accessories Policy

These sectors are crucial employment-intensive industries in Madhya Pradesh, playing a key role in providing job opportunities, especially for women. Building on its strong foundation in textile production, the State is increasingly focusing on expanding its garment and footwear manufacturing capabilities. For furthering this foundation special incentives such as Assistance for Employment Generation, Training & Skill Development, and Interest Subsidy have been introduced. To further incentivise this sector, the State has come up with Concession in Development Charge, Incentive for Apparel Training Institute, Reimbursement of Stamp Duty & Registration Fee and Power Tariff Reimbursement. These sectors are rapidly emerging as significant contributors to Madhya Pradesh's industrial momentum, with a strategic emphasis on value addition and export-oriented growth. The State is making all the necessary efforts to become a powerhouse in this sector. In terms of aggregating the value chain players, the State also has the GoI funded footwear park in Morena that intends to attract the big players of the sector in the State.



9.3.1 Definitions

A. Ready-made garments/apparels and made-ups definition:

Wearable clothes or non-wearable stitched clothes, in which at least two-ends of clothes have been stitched using a sewing machine.

B. Footwear

1. Non-Leather Footwear
2. Leather Footwear
3. Ancillary units exclusively supplying their finished products to the footwear companies such as buttons and snap fasteners, inlay cards, buckles, eyelets, hooks, rivets, sequin, embroidery thread, stones, toggles, stud elastic cloth, ornaments, embellishments, zips, etc. Processing units of non-leather, such as polyurethane leather, and component manufacturing units such as upper stitching units, stock fitting facility, fly knit factory, mould factory, ornament factory, lace factory, sole factory, footbed factory, etc. supplying to footwear manufacturers shall also be considered as ancillary units.




C. Accessories

- i. Accessories used in garment, footwear, leather & non leather products and finished goods (such as handbags, wallets, purses, travel goods excluding suitcases, gloves, upholstery etc.)
- ii. Tanneries and leather pre-processing units shall not be considered under this Policy.

D. Toys

Product or material designed or clearly intended, whether or not exclusively, for use in play by children under 14 years of age or any other product as defined under Department for Promotion of Industry and Internal Trade Toys (Quality Control) Order, 2020.²

9.3.2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.

² Government of India. **Quality Control Order for Toys**. Department for Promotion of Industry and Internal Trade, February 27, 2020. Available at: https://dpiit.gov.in/sites/default/files/qualityControlOrder_Toys_27February2020.pdf.

**Assistance for IPR and Organic Certification**

- **IPR Assistance:** 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.
- **Organic Certification Assistance:** 100% reimbursement of expenses incurred for obtaining organic certifications from APEDA-accredited agencies, subject to a maximum of ₹5 Lakh per unit.

**Incentive to Provide Employment to Differently Abled Persons**

Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:

1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining.
2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years.
3. Medical insurance premium reimbursement for 5 years

**Additional Incentives**

Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.

**Assistance for Employment Generation**

For units employing more than 250 employees:

Employment Generation Assistance upto ₹5,000 per month per employee.

The assistance period will be maximum 5 years for the employees joining in the first 8 years after achieving Commercial Operations. This assistance will be limited to a period of 10 years from the date of commencement of commercial production, which means that the new employee appointed in the eighth year will be eligible for employment generation subsidy from the date of appointment for the next two years only.






The mentioned assistance will be subject to the following condition:

Sr. No	Duration	Minimum Average Percentage of Madhya Pradesh domicile employees in the unit out of total number of employees since the date of commencement of production in the unit
1	Within 1 year	50%
2	Within 3 years	75%
3	Within 5 years	90%

**Assistance for Training and Skill Development**

For units employing more than 250 employees:

One time reimbursement of skill development and training expenses of ₹13,000 per new employee shall be provided for 5 years starting from 3 months prior to the date of attainment of commercial production. This assistance shall only be provided to employees domicile of Madhya Pradesh for a maximum of 4,000 employees.

	<p>Interest Subsidy 5% interest subsidy on term loan taken for Plant & Machinery for 7 years, maximum upto ₹50 Crore, from date of commercial production.</p>
	<p>Concession in Development Charge In addition to the effective rebate on land premium, units shall be given 50% concession in the development charge levied by MPIDC according to the provisions of the prevailing Madhya Pradesh State Industrial Land and Building Management Rules. This shall be reimbursed by MPIDC to the unit after commencement of commercial production.</p>
	<p>Incentive for establishing Apparel Training Institute Units shall be given 25% subsidy for establishment of Apparel Training Institute up to a maximum limit of ₹50 lakh.</p>
	<p>Reimbursement of Stamp Duty and Registration Fee Units who take land on lease in industrial areas established by the State Government will be reimbursed the stamp duty and registration fee charged on lease land.</p>
	<p>Power Tariff Reimbursement Power Tariff reimbursement of ₹1/unit shall be given to the units in this sector for a period of 5 years.</p>

9.3.3 Terms & Conditions

- i. The maximum limit of assistance shall be 200% of the investment made by the unit in FCI including all statutory/ legal requirements of Garment industry.
- ii. **Exclusion:** All type of container and packaging bags including Flexible Intermediate Bulk Container Bags/ Woven Sacks/towel/bedsheets/handkerchiefs shall be excluded from definition of the Garment sector.



Customized Package

Mega Industrial Units with an investment of more than

₹75 Crores

in this sector shall be eligible to avail this package under CCIP.



9.4

Aerospace and Defence Production Policy

The aerospace and defence sector are integral to India's "Make in India" initiative, with a strong emphasis on increasing domestic production of defence equipment. The government's policies, such as the Defence Procurement Policy 2020 and encouraging foreign investment, support this goal, aiming for substantial growth in indigenous defence production and exports. This sector is also crucial for fulfilling the aim of AtmaNirbhar Bharat and to further this sector the State has come up with an extra multiple named as the state is also offering Concession in Development Charge, and incentive for Quality Certification.









9.4.1 Definitions

Aerospace and Defence products:

Units which are into designing, engineering, manufacturing material used for components, sub-assemblies, etc. to domestic or international OEMs/Tier I/Tier II/Tier III companies of Aerospace or Defence PSUs, Institutes, Research and Development organizations, Indian Offset partners, all Defence and security forces of India or any item/category that is procured by Ordnance Factories and Defence PSUs.

Manufacturer of any products or equipment of Aerospace and Defence sector, certified by Government of India or its Competent Authority, shall be eligible to avail incentives under this policy.

9.4.2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.
	Assistance for IPR and Organic Certification <ul style="list-style-type: none">● IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.
	Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives: <ol style="list-style-type: none">1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining.2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years.3. Medical insurance premium reimbursement for 5 years
	Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.



Concession in Development Charge

In addition to the effective rebate on land premium, units shall be given 25% concession in the development charge levied by MPIDC according to the provisions of the prevailing Madhya Pradesh State Industrial Land and Building Management Rules. This shall be reimbursed by MPIDC to the unit after commencement of commercial production.



Quality Certification

Reimbursement of 50% of Quality Certification cost or ₹10 Lakh whichever is lower.



Customized Package

Mega Industrial Units with an investment of more than

₹500 Crores

in this sector shall be eligible to avail this package under CCIP.



9.5

Pharmaceuticals Policy








Madhya Pradesh is emerging as a pivotal player in India's pharmaceutical landscape. The sector is undergoing rapid evolution, propelled by scientific innovations, rising healthcare demands, and the integration of cutting-edge digital technologies. In the post-pandemic era, the State's robust pharma ecosystem, characterized by numerous production units and industrial clusters, is driving advancements that make treatments more accessible and affordable. Madhya Pradesh is poised to play a critical role in supporting the nation's growth in these industries, and to bolster this role, policy has introduced incentives such as slack period (increased time to start commercial production in order to obtain necessary pre clearances and approvals) and assistance for quality certification. Main driver of pharmaceuticals sector is research and development, in order to incentivise this the State is introducing additional multiple for API/ bulk drugs, assistance for R&D and Assistance for Setting up of testing facility.







9.5.1 Definitions

- 1. Active Pharmaceutical Ingredient/ Bulk Drugs Biologics:** Any substance or mixture of substances intended to be used in the manufacture of a drug (medicinal) product and that, when used in the production of a drug, becomes an active ingredient of the drug product. Such substances are intended to furnish pharmacological activity or other direct effect in the diagnosis, cure, mitigation, treatment, or prevention of disease or to affect the structure or function of the body. The licensed product in bulk form is referred to as Bulk Drugs.
- 2. Biologic:** A biologic drug, or biologic, is a drug made from proteins or pieces of proteins (either natural or artificial). Unlike other drugs, biologic drugs must be made in a living system, such as yeast, bacteria, or animal cells.
- 3. Bioinformatics:** The application of computational tools to organize, analyse, understand, visualize, and store information associated with biological macromolecules. It is a research field in which computer scientists, biologists, physicians, mathematicians, and chemists combine their expertise to collaborate on diverse tasks, from the discovery of new facts on complex biological systems to the rationalization of organization of health systems.
- 4. Biosimilar:** A biosimilar drug, or biosimilar, is a medicine that is very close in structure and function to a biologic drug.
- 5. Bio service:** Aids and services rendered to improve the research and clinical trials in biotech industries. The bio-services market comprises contract and clinical research organizations (CROs), as well as contract manufacturers (CMOs) to help the biotechnology industry.
- 6. Biopharmaceuticals:** Biopharmaceuticals refers to pharmaceuticals produced in biotechnological processes using molecular biology methods.
- 7. Generic:** A generic drug is a medication created to be the same as an existing approved brand-name drug in dosage form, safety, strength, route of administration, quality, and performance characteristics.
- 8. Life Sciences:** Life Sciences is a broad, multi-faceted industry that, in the most general sense, deals with the investigation of living things. It includes a range of more specific scientific fields, like microbiology, zoology, biochemistry, cell biology, evolutionary biology, anatomy, biophysics, epidemiology, marine biology, genetics, botany, ecology and more. In a life sciences laboratory, researchers study the structure and function of living organisms at both macro and micro scales-for example, entire ecosystems at the macro scale and individual cells at the micro scale.
- 9. Nutraceuticals:** Nutraceuticals are food-based substances that have physiological benefits or provide protection against chronic diseases. Nutraceuticals may be used to improve health, delay the aging process, prevent chronic diseases, increase life expectancy, or support the structure or function of the body. In India, nutraceuticals have been defined under Clause 22 of the Food Safety and Standards Act (FSSA), 2006. In the context of this policy, the scope of nutraceuticals shall be limited to food supplements for patients.

9.5.2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.
	Assistance for IPR and Organic Certification IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit. Organic Certification Assistance: 100% reimbursement of expenses incurred for obtaining organic certifications from APEDA-accredited agencies, subject to a maximum of ₹5 Lakh per unit.
	Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives: <ol style="list-style-type: none">1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining.2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years.3. Medical insurance premium reimbursement for 5 years
	Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.
	Additional multiple for API/ Bulk Drugs 1.3 times of BIPA would be provided to API/ Bulk Drugs manufacturing units.

	<p>Assistance for R&D Investment done in in-house R&D facility registered under Department of Scientific and Industrial Research (maximum of the 50% of the Plant & Machinery with Factory sheds and Buildings) shall be considered in EFCI.</p>
	<p>Assistance for Quality Certification Projects obtaining certifications like WHO, GMP, GLP, USFDA, UKMHRA, CE, ISO, ISI, BIS, BEE, Ecomark, Hazard Analysis and Critical Control Point (HACCP), Total Quality Management (TQM) or any other national or international quality certification shall be given a subsidy of 50% of the total cost incurred or ₹1 Crore for obtaining the certification, whichever is lower, for the period of 5 years.</p>
	<p>Slack Period Incentives In view of the time taken by pharmaceutical units in getting regulatory permissions, quality certifications and international compliances, pharmaceutical units shall be eligible to avail a slack period of up to two years from the date of commercial production in the unit for claiming incentives. However, it is clarified that the time period for assistance shall remain unchanged for a period of 7 years</p>
	<p>Setting up of Testing Facility State government will provide capital subsidy @50% of the Capital Investment maximum upto ₹1 Crore for setting up of Testing Facility registered under Committee for the Purpose of Control and Supervision of Experiments on Animals (CPCSEA) and controlled by The Institutional Animal Ethics Committee (IAEC).</p>



Customized Package

Mega Industrial Units with an investment of more than

₹250 Crores

in this sector shall be eligible to avail this package under CCIP.



9.6

Biotechnology Policy

Biotechnology is a rapidly expanding sector worldwide, with diverse applications across food, nutraceuticals, personal care, chemicals, healthcare, agriculture, industrial processes, and environmental sustainability. Recognizing its potential, the Government of Madhya Pradesh is committed to positioning the state as a premier hub for biotechnology innovation. IPP 2025 aims to foster a supportive ecosystem for research, development, and commercialization of cutting-edge biotech solutions. To accelerate growth, the policy offers specialized incentives for R&D, Biotechnology Park and Testing facilities. Additionally, the state envisions the development of dedicated biotechnology parks to further strengthen infrastructure and industry collaboration.







9.6.1 Definitions






Biotechnology

Biotechnology utilizes biological systems, living organisms or parts of this to develop or create different products. The major segments of Biotechnology are Industrial Biotechnology, Medical Biotechnology, Environmental Biotechnology, Agricultural Biotechnology, and Animal Biotechnology. These are defined as follows:

- i. **Agricultural Biotechnology:** Branch that uses a range of tools, including traditional breeding techniques, which alter living organisms, or parts of organisms, to make or modify products; improve plants or animals; or develop microorganisms for specific agricultural uses.
- ii. **Animal Biotechnology:** Animal biotechnology is a branch of biotechnology in which molecular biology techniques are used to genetically engineer (i.e., modify the genome of) animals to improve their suitability for agriculture, industrial, or pharmaceutical applications.
- iii. **Environmental Biotechnology:** A system of scientific and engineering knowledge related to the use of micro-organisms and their products in the prevention of environmental pollution through biotreatment of solid, liquid, and gaseous wastes, bioremediation of polluted environments, and biomonitoring of environment and treatment processes.
- iv. **Industrial Biotechnology:** A Branch that utilizes enzymes, microorganisms, and plants to produce energy, industrial chemicals, and consumer goods.
- v. **Medical Biotechnology:** Branch that uses living cells and other cell materials to find cures of diseases. Medical Biotechnology comprises research and manufacturing of vaccines and antibiotics.

9.6..2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.
	Assistance for IPR and Organic Certification IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.

	<p>Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:</p> <ol style="list-style-type: none"> 1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. 3. Medical insurance premium reimbursement for 5 years
	<p>Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.</p>
	<p>Assistance for R&D Investment done in in-house R&D facility registered under Department of Scientific and Industrial Research (maximum of the 50% of the Plant & Machinery with Factory sheds and Buildings) shall be considered in EFCI.</p>
	<p>Setting up of Testing Facility State government will provide capital subsidy @50% of the Capital Investment maximum upto ₹1 Crore for setting up of Testing Facility for Biotechnology</p>
	<p>Biotechnology Park The State shall support the establishment of biotechnology parks, which shall be eligible for incentives as Private Industrial Parks</p>



Customized Package

Mega Industrial Units with an investment of more than

₹250 Crores

in this sector shall be eligible to avail this package under CCIP.



9.7

Medical Devices Policy

The medical devices sector is emerging as a key driver of innovation and economic growth, with applications spanning diagnostics, therapeutics, surgical instruments, and healthcare delivery. Recognizing the sector's significance, Madhya Pradesh offers a robust ecosystem anchored by the Medical Devices Park at Vikram Udyogpuri, Ujjain. Equipped with state-of-the-art infrastructure, the park supports manufacturing, research, and testing facilities, fostering industry collaboration and innovation. Under IPP 2025, the state is committed to advancing the medical devices sector by promoting investments, offering targeted incentives and creating a conducive environment for global and domestic players to thrive.



9.7.1 Definition





Medical Device:






'Medical device' is any instrument, apparatus, implement, machine, appliance, implant, reagent for in vitro use, software, material, or other similar or related article intended by the manufacturer to be used for one or more of the following purposes:

- Diagnosis, monitoring, treatment, alleviation of or compensation for an injury,
- Investigation, replacement, modification, or support of the anatomy or of a physiological process,
- Supporting or sustaining life,
- Control of conception,
- Disinfection of medical devices
- Providing information by means of in vitro examination of specimens derived from the human body.

The target segment for medical device manufacturing under IPP 2025 encompasses all products and components listed in the PLI scheme for Promoting Domestic Manufacturing of Medical Devices, Scheme for Marginal Investment Scheme for Reducing Import Dependence (a sub-scheme of Strengthening of Medical Device Industry), Phased Manufacturing Program (PMP), by the Ministry of Chemicals and Fertilizers, Department of Pharmaceuticals, Government of India and any other Medicals Devices scheme as defined by Government of India from time-to-time.

9.7.2. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.
	Assistance for IPR and Organic Certification IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.

	<p>Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:</p> <ol style="list-style-type: none"> 1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. 3. Medical insurance premium reimbursement for 5 years
	<p>Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.</p>
	<p>Medical Device manufacturing Multiple 1.3 of BIPA would be provided to Medical Devices manufacturing units</p>
	<p>Assistance for R&D Investment done in in-house R&D facility registered under Department of Scientific and Industrial Research (maximum of the 50% of the Plant & Machinery with Factory sheds and Buildings) shall be considered in EFCI.</p>
	<p>Setting up of Testing Facility State government will provide capital subsidy @50% of the Capital Investment maximum upto ₹1 Crore for setting up of Testing Facility for medical devices.</p>



Customized Package

Mega Industrial Units with an investment of more than

₹500 Crores

in this sector shall be eligible to avail this package under CCIP.











9.8

Electric Vehicle Manufacturing Policy

The electric vehicle (EV) sector is crucial for reducing fossil fuel emissions and enhancing energy efficiency. As a power-surplus State, Madhya Pradesh plays a key role in India's shift toward sustainable transportation, though stronger efforts are needed to boost EV adoption. The State has set the objective of promoting sustainable development and EV manufacturing will play an important role in achieving the same. To boost the manufacturing in EV the State has decided to offer Quality Certification cost reimbursement, concession in Development Charge along with assistance for setting up Testing Facility and EV Multiple as a special incentive for this sector.



9.8.2. Fiscal Incentives

	<p>Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1</p>
	<p>Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.</p>
	<p>Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.</p>
	<p>Assistance for IPR and Organic Certification IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.</p>
	<p>Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:</p> <ol style="list-style-type: none"> 1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. 3. Medical insurance premium reimbursement for 5 years
	<p>Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.</p>
	<p>Additional Multiple for EV Manufacturing 1.3 of BIPA would be provided to EV manufacturing units</p>
	<p>Setting up of Testing facility Investment done in in-house testing facility including battery testing shall be considered in EFCI (maximum of the 50% of the Plant & Machinery with Factory sheds and Buildings)</p>



Quality Certification

Reimbursement of 50% of Quality Certification cost or ₹1 Lakh per model whichever is lower upto a maximum of 10 Lakh



Concession in Development Charge

In addition to the effective rebate on land premium, units shall be given 25% concession in the development charge levied by MPIDC according to the provisions of the prevailing Madhya Pradesh State Industrial Land and Building Management Rules. This shall be reimbursed by MPIDC to the unit after commencement of commercial production.



Customized Package

Mega Industrial Units with an investment of more than

₹500 Crores

in this sector shall be eligible to avail this package under CCIP.



9.9









Renewable Energy Equipment Manufacturing Policy

The State is the first in the country to establish a Power and Renewable Energy Manufacturing Zone with State-of-the-Art proposed testing facilities. This exhibits the State's inclination in promoting the Renewable Energy equipment manufacturing and hence has been identified as another key priority for Madhya Pradesh to promote sustainable industrial development. The focus spans industries producing solar equipment like modules, inverters, and AC/DC cables; wind components such as hubs, nacelles, and gearboxes; and power equipment including capacitors, transformers, switch gears, and other renewable energy technologies.

By advancing the production of cutting-edge renewable energy technologies, the State aims to strengthen its clean energy infrastructure, reduce dependency on imports, and build a vibrant ecosystem for green energy adoption. The policy is providing Concession in Development Charge and Quality Certification assistance to this sector over and above the general incentives being offered.



9.9.1. Fiscal Incentives

	Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1
	Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.
	Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.
	Assistance for IPR and Organic Certification IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.
	Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives: 1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. 3. Medical insurance premium reimbursement for 5 years
	Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.
	Concession in Development Charge In addition to the effective rebate on land premium, units shall be given 50% concession in the development charge levied by MPIDC according to the provisions of the prevailing Madhya Pradesh State Industrial Land and Building Management Rules. This shall be reimbursed by MPIDC to the unit after commencement of commercial production.
	Quality Certification Reimbursement of 50% of Quality Certification cost or ₹1 Lakh whichever is lower.



Customized Package

Mega Industrial Units with an investment of more than

₹250 Crores

in this sector shall be eligible to avail this package under CCIP.



9.10

High Value-Add Manufacturing Policy

Madhya Pradesh is committed to fostering growth in manufacturing of high value-add goods. The State with its strategic location, policy support, and skilled workforce, aims to emerge as a preferred destination for manufacturing of high value goods with cutting edge technology.

Such sectors driven through innovation, high volume of global trade and contributing to India's vision of self-reliance are incentivized through this incentive package. In order to promote this sector, the state, apart from all the general incentives, is also offering incentives such as HVA Multiple, Assistance for Training and Skill Development and Quality Certification as part of this special package.












9.10.1 Definitions

The Target Segment under the High Value-Add Manufacturing in IPP 2025 includes:

- Manufacturing of white goods as defined by Government of India in its PLI Scheme
- Manufacturing of products as defined by National Policy on Electronics 2019 (NPE 2019)
- Manufacturing of capital goods for all the goods covered under Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES)
- The Target segment shall exclude component manufacturing covered under Renewable Energy Equipment Manufacturing and Medical Devices

9.10.2. Fiscal Incentives

	<p>Basic Investment Promotion Assistance (BIPA) BIPA along with multiples applicable as per Chapter 8.1</p>
	<p>Infrastructure Development Assistance 50% assistance for developing power, water, gas pipeline, road, drainage and sewage infrastructure upto the factory gate subject to a maximum of ₹5 Crore if the investor acquires private land or gets undeveloped Government land for setting up of the unit.</p>
	<p>Green Industrialization Assistance Capital subsidy of 50%, max upto ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices etc.) and maximum of ₹10 Crore for setting up Effluent Treatment Plant with Zero Liquid Discharge. Sanctioning in 2 equal annual instalments.</p>
	<p>Assistance for IPR and Organic Certification IPR Assistance: 100% reimbursement of expenses incurred for filing patents, copyrights, trademarks, and geographical indications (GI), subject to a maximum of ₹10 Lakh per unit.</p>
	<p>Incentive to Provide Employment to Differently Abled Persons Units providing employment to Persons with Disabilities (minimum 5% of total workforce) will be eligible for following incentives:</p> <ol style="list-style-type: none"> 1. 100% reimbursement of skill development expenses upto ₹5,000/- per employee for 3 months from date of joining. 2. Employees PF/ESI assistance: Reimbursement of employee's contribution- maximum ₹6,000/per month for 5 years. 3. Medical insurance premium reimbursement for 5 years
	<p>Additional Incentives Units shall be eligible to claim Additional Incentives mentioned in Chapter 8.7.</p>

	<p>Additional multiple for HVA 1.3 times of BIPA would be provided to the units coming in this sector.</p>
	<p>Assistance for Training and Skill Development For units employing more than 250 employees: One time reimbursement of Skill development and training expenses of ₹13,000 per new employee shall be provided for 5 years starting from 3 months prior to the date of attainment of commercial production. This assistance shall only be provided to employees domicile of Madhya Pradesh for a maximum of 4,000 employees.</p>
	<p>Quality Certification Reimbursement of 50% of Quality Certification cost or ₹1 Lakh whichever is lower.</p>



Customized Package

Mega Industrial Units with an investment of more than

₹75 Crores

in this sector shall be eligible to avail this package under CCIP.

Financial Assistance for Private Industrial Park Developers




Madhya Pradesh is centrally located in India, making it an advantageous spot for businesses looking to cater to markets across the country. The State's well developed road and rail infrastructure enhances connectivity. The Government of Madhya Pradesh is committed to fostering industrial growth and recognizes the pivotal role of private players in the development of industrial parks. Private developers will benefit from expedited land acquisition processes and single window clearance systems to ensure swift project approvals. Enhanced infrastructure support, including reliable power supply, water resources, and transportation networks, will be prioritized. Furthermore, the following incentives shall be extended to the private park developers.

10.1 Incentives for Infrastructure Developers to Develop Private Parks

10.1.1 Eligibility

1. The private industrial park should be 10 acres or more.
2. The private industrial park should have minimum 5 units.

10.1.2 Fiscal Incentives

	<p>Reimbursement of Stamp Duty and Registration Charges 100% reimbursement of Stamp duty and Registration charges</p>
	<p>Fixed Capital Assistance for Infrastructure Development 50% of fixed capital investment or ₹20 Lakh per Acre on fixed infrastructure (excluding land and infrastructure for dwelling units) whichever is less. Maximum upto ₹40 Crore.</p> <p>*The sanctioning of the subsidy shall be in 2 equal instalments of 50% each on a milestone basis.</p>
	<p>Green Industrialization Assistance</p> <ol style="list-style-type: none"> 1. Capital subsidy of 50% subject to a maximum of ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices, etc.). 2. Capital subsidy of 50% subject to a maximum of ₹10 Crore for setting up of Zero Liquid Discharge.

*The fixed capital assistance shall be sanctioned on milestone basis as provided below-

i.First Instalment: First instalment of 50% of the assistance shall be released after completion of infrastructure construction.

ii.Second Instalment: Second instalment of 50% shall be provided after the establishment of 5 industrial units.

10.2 Incentives for Units Established in Private Industrial Parks

The units established in the notified private industrial parks shall be eligible for the respective incentives as mentioned in Chapter 8 or Chapter 9, as applicable under this policy or policy of the respective department.






Plug and Play Facilities for Manufacturing/Services Sector

11.1 Incentives for Infrastructure Developers to Develop Plug and Play Parks

Madhya Pradesh has been in the forefront of encouraging industrial expansion by providing a variety of incentives to stimulate rapid industrialization. By introducing supportive policies, the State can harness its strengths to expand its economy.

The Government of Madhya Pradesh (GoMP) aims to boost productivity in both existing and emerging industries by developing enhanced infrastructure facilities. To achieve this, GoMP encourages private sector participation in the creation of plug-and-play infrastructure, which will offer access to essential common facilities. The development of these facilities on either private or government land will be actively promoted. Additionally, the State government will introduce special financial assistance for units utilizing these facilities.

The State shall provide the following incentives to the infrastructure developers (government companies or private) for the development of plug and play infrastructure:

	<p>Fixed Capital Assistance for Infrastructure Development 25% capital assistance on fixed infrastructure (excluding land and infrastructure for dwelling units) or ₹25 Crore whichever is lower. Fixed Infrastructure shall include development of approach road, building, power related infrastructure, water infrastructure, wastewater drainage, telecom, Captive power plant based on renewable energy and other utilities as defined in the scheme document. *The Sanctioning of the subsidy shall be in 3 instalments on a milestone basis.</p>
	<p>Green Industrialization Assistance</p> <ol style="list-style-type: none"> 1. Capital subsidy of 50% subject to a maximum of ₹5 Crore for setting up of waste management systems (such as Effluent Treatment Plant, Sewage Treatment Plant, pollution control devices, etc.). 2. Capital subsidy of 50% subject to a maximum of ₹10 Crore for setting up of Zero Liquid Discharge.
	<p>Subsidy on Common Facility Centres 25% capital assistance for common facility centres up to ₹25 Crore.</p>



Terms and Conditions

The sanctioning of fixed capital assistance shall be on a milestone basis as provided below-

- **First Instalment:** First instalment of 50% of the assistance shall be release after completion of building/ infrastructure construction.
- **Second Instalment:** Second instalment of 25% shall be provided on minimum occupancy of 25%.
- **Third Instalment:** Third instalment of 25% shall be provided on minimum occupancy of 40%.

11.2 Incentives for Units Established in Plug and Play

The units established in the notified plug and play facility developed by private developer or government developer shall be eligible for the incentives as per the concerned chapter (Chapter 8 or 9) under this policy or policy of the respective department.

Units occupying plug and play facilities, shall be provided with a 50% rental subsidy for 5 years (Maximum of ₹10 per square ft/ month for 5 years).

Terms and Conditions for Industrial Promotion Policy, 2025

- i. MPIDC will be the nodal agency for the implementation of this Policy. Investors shall have to register their proposal with the Single Window System of MPIDC and use the Intention to Invest Number/ Intention Number to avail incentives under this policy. This Intention to Invest number can be tracked online for status updates at any given time.
- ii. Units which have already been sanctioned incentives under IPP 2014 or earlier policies or which have commenced the Commercial Production before the notification of this policy, shall not be eligible for benefits under this policy.

In any case, the gross investment assistance given to the unit shall not exceed the total amount of investment made by the unit in Fixed Capital Investment (excluding Garment, Toy, Footwear and Accessories units where the capping shall be 200%).

- iii. Investors can avail sector-specific incentives outlined in Chapter 9 of this policy, based on their industry category. Manufacturing sectors not covered under Chapter 9 will be eligible for general incentives as specified in Chapter 8 of this policy.
- iv. If the investor is eligible to claim incentives under more than one policy offered by different departments of the State, then the investor is eligible for claiming the incentives/concessions under only one of the policies, until and unless specifically mentioned in the policy. That is, the investor shall have to choose one single policy for claiming incentives and cannot choose multiple policies unless a policy specifically mentions that it is over and above IPP, 2025.
- v. If a manufacturing unit wishes to avail financial assistance from Government of India over and above its eligibility under this Policy, it may do so, subject to the condition that the cumulative assistance may not be more than the investment amount (excluding Garment, Toy, Footwear and Accessories units where the capping shall be 200%).
- vi. To avail benefits under Industrial Promotion Policy - 2025, it shall be mandatory for industrial units to provide 70% of the total employment to domicile of Madhya Pradesh.
- vii. Mega Industrial Units shall be eligible for sanction of special packages on a case-to-case basis by Cabinet Committee on Investment Promotion (CCIP).
- viii. If a unit gives false declaration for obtaining incentive under the policy or incentive are availed by an ineligible unit, the amount of incentive is liable to be recovered from the date of availing of such incentive with the interest compounded annually @ 10% per annum.
- ix. All incentives under this policy shall be provided in accordance with the applicable terms and conditions of Madhya Pradesh Industrial Investment Promotion Scheme, 2025.

13.

Amendment, Relaxation / Revocation Powers

State Government may, at any time:

- a. Modify or cancel any provision in this policy.
- b. Provide relaxation in implementation of provisions in this policy.
- c. Issue directions, instructions and guidelines for interpreting the implied provisions to facilitate execution of the provisions.

14.

Jurisdiction

This policy shall be governed by and construed in accordance with the laws of India. Any dispute, claim, or controversy arising out of or relating to this policy, including its interpretation, execution, or enforcement, shall be subject to the exclusive jurisdiction of the courts located in the State of Madhya Pradesh, India.

Annexures

Annexure I - List of Ineligible Industries

#	List of Ineligible Industries
1	All types of mining activity (where there is no value addition)
2	Any industry declared ineligible by the Government of India and Government of Madhya Pradesh from time to time
3	Beer and liquor (excluding winery, microbrewery)
4	Central and State Government undertakings*
5	Manufacturing of all kinds of pan masala and gutka
6	Manufacturing of Charcoal
7	Manufacturing of Tobacco and tobacco-based products
8	Power Generation Plants
9	Pressing of iron/steel scrap into blocks or any other shapes (other than vehicle scrapping as per GoI notification)
10	Publishing and Printing processes of all types
11	Sawmilling and planing of wood
12	Slaughterhouse and industries based on meat
13	Stone crusher and grinding of minerals, excluding M Sand and Ready-mix concrete

* CCIP after considering proposals on a case-to-case basis may provide a customized package.

Annexure II – Basic Investment Promotion Assistance

Basic Investment Promotion Assistance for large units shall vary between 40% to 10% based on the below formula:

$$\text{BIPA} = \text{IF}(\text{EFCI} > 2000, 200, \text{IF}(\text{EFCI} \leq 50, 0.4 * \text{EFCI}, \text{MIN}(15 + 0.08 * (\text{EFCI} - 50) + (\text{EFCI} / 12) * ((1 / (1 + \text{EXP}(-5.9 * (1 - \text{EFCI} / 2490))))(1 - \text{EFCI} / 2490)) + 9.3(1 - \text{EFCI} / 2500), 0.4 * \text{EFCI}, 200)))$$

Sample Values of BIPA are as follows:

Investment (in ₹ Crore)	Percentage	Amount (in ₹Crore)
50-85	40%	20-33.6
100	36%	35.9
125	32%	39.7
150	29%	43.4
175	27%	47.2
200	25%	50.8
225	24%	54.4
250	23%	58
300	22%	65.1
350	21%	71.9
400	20%	78.6
500	18%	91.4
600	17%	103.6
700	16%	115
1500	12%	180.1
2000	10%	200

Annexure III – Export Multiple

The Export Multiple shall vary from 1.0 to 1.3 for exports ranging from 25% to 75% of the total production.

ExportMultiple(EM)=IF(ExportPercentage<25%,1,IF(ExportPercentage<75%,1+0.3*(Export Percentage-25%)/50%,1.3))

Sample Values are as follows:

Export %	Multiple
25	1.00
30	1.03
35	1.06
40	1.09
45	1.12
50	1.15
55	1.18
60	1.21
65	1.24
70	1.27
75	1.30

Annexure IV – Employment multiple

The employment multiple shall vary from 1.0 to 1.5, based on the employment generation by a unit in the range of 100 employees to 2,500 employees.

$$\text{Employment Multiple (EYM)} = \text{MAX}[1, \text{MIN}\{1.5, (1 + (\text{AE} - 100) * ((1.5 - 1) / (2500 - 100)))\}]$$

Average Employees in the Reviewed Year (AE): Average employee count of the company in the reviewed year.

AE will be derived as = $\Sigma(\text{Employee count at the month end for each month of the financial year})/12$

1. Till 100 employees (AE), EYM will be 1
2. From 100 to 2,500 employees (AE), the EYM will increase from 1 to 1.5, proportionately
3. For 2,500 and above employees (AE), EYM is capped at 1.5.

Employment No.	Multiple
100	1.00
200	1.02
500	1.08
700	1.13
1000	1.19
1200	1.23
1500	1.29
2200	1.44
2500	1.50

Annexure V– FDI Multiple

The FDI Multiple will be applied to BIPA based on the percentage of FDI equity in the unit. For FDI equity between 26% and 50%, the multiple will range from 1.1 to 1.2, while units with more than 50% FDI equity will receive a fixed multiple of 1.2.

$$\text{FDI Multiple} = \text{IF}(\text{FDI} < 26, 1, \text{IF}(\text{FDI} \leq 51, 1.1 + (\text{FDI} - 26) * (0.1 / (51 - 26)), 1.2))$$

Sample Values are as follows:

FDI Equity %	Multiple
20	1.000
25	1.000
30	1.116
35	1.136
40	1.156
45	1.176
50	1.196
51	1.200



CONTACT US



Principal Secretary,

Department of Industrial Policy and Investment Promotion
D-204, Vallabh Bhawan-3, Mantralaya, Bhopal, M.P.

Phone: +91-755-2708661

Mail: pscomnind@mp.gov.in



Managing Director,

MP Industrial Development
Corporation Ltd. (MPIDC)

21, Arera Hills, Bhopal, M.P.

Phone: +91-755-2575618, 2571830

Mail: md@mpidc.co.in

